

VZCZCXRO0114
PP RUEHGR RUEHHM RUEHJO RUEHPOD
DE RUEHWN #0023/01 0111710
ZNR UUUUU ZZH
P 111710Z JAN 08
FM AMEMBASSY BRIDGETOWN
TO RUEHC/SECSTATE WASHDC PRIORITY 5988
INFO RUCNCOM/EC CARICOM COLLECTIVE
RUEHXI/LABOR COLLECTIVE
RUEHCV/AMEMBASSY CARACAS 1856
RUMIAAA/HQ USSOUTHCOM J2 MIAMI FL
RUMIAAA/HQ USSOUTHCOM J5 MIAMI FL
RUEHCV/USDAO CARACAS VE

UNCLAS SECTION 01 OF 02 BRIDGETOWN 000023

SIPDIS

SIPDIS
SENSITIVE

DRL/IL FOR GARBIELA RIGGS
SOUTHCOM ALSO FOR POLAD
DOL FOR ILAB

E.O. 12958: N/A
TAGS: [PGOV](#) [PREL](#) [ELAB](#) [XL](#)
SUBJECT: LABOR STRIFE HEATING UP IN EASTERN CARIBBEAN

[1](#)1. Summary: In recent months, there have been a number of high-profile industrial actions in the Eastern Caribbean. Behind the increase in industrial actions, lies a worsening economic situation for the average worker, who is facing shrinking real income due to high inflation, and decrease in real wages. Labor unions, once very powerful and able to dictate labor negotiations, are faced with declining membership and influence. The following is a summary of these noteworthy cases. End Summary

LIAT Sick Out Cripples Operations Throughout the Region

[1](#)2. LIAT flight attendants staged an unauthorized two-day sick out protest, December 19-20, scrambling flight plans throughout region. LIAT, owned by the governments of Barbados, Antigua, and St Vincent, is the only regional carrier that covers all of the islands of the Eastern Caribbean. The other regional carrier, Caribbean Star, merged with LIAT and closed November 15th.

[1](#)3. The underlying issues were pension funding and the hiring of contract workers. The airline workers are complaining that LIATT is underfunding the pension program, and there is concern over the hiring of contract workers, in lieu of hiring permanent staff. Although they returned to work after two days, the airline pilots and flight attendants threatened additional industrial action after the New Year. The estimated economic cost of the two-day walk out was ECD 100,000 (USD 37,000).

Cable and Wireless Dispute Mediated Days Before Election

[1](#)4. Just eleven days before the Barbados parliamentary elections on January 15, 75 percent of the workers from Cable and Wireless, the monopolistic telecommunications provider on Barbados, went on strike, disrupting telephone and Internet operations island-wide.

[1](#)5. According to the Sir Roy Trottman, the president of the Barbados Workers Union (BWU), workers were striking against Cable and Wireless's treatment of workers, particularly the harassment against those who sought union assistance in resolving problems. Trottman also pointed out that management did not treat workers with dignity, such as disciplining them if they gave too much time to individual customers. Another minor, but important, issue is a lapsed wage negotiation. The company offered a 10 percent wage increase over a two-year period while the BWU demanded a 12 percent increase over a two-year period.

[1](#)6. The Prime Minister personally intervened on January 9th and convened an all day meeting with the union and the company. They

successfully reached an agreement on new wages, as well as a commitment to resolve the pending labor management issues. The strike could prove a political liability as the opposition party has played up the strike as an example of the administration's incompetence and unwillingness to stand up for the common man.

ADM Dispute Festering

¶17. In October, the Barbados Branch office of Arthur Daniels Midlands Corporation restructured staff, giving 15 senior employees early retirement and replacing them with contract workers. ADM claimed the BWU approved of this plan. However, the Union went to the aid of the fired workers, claiming that ADM did not follow normal procedures for termination, and threatened to stage a general strike against the company if the company did not reinstate the workers and then follow normal procedures for termination.

¶18. After trading accusations in the media and to LABOFF, the union and company reached an agreement - the workers were rehired and then terminated per normal procedures. The Union and Company will meet January 24, for further discussions. Laboff will continue to follow this issue and report as warranted. Trotman is seeking to have the General Manager's work permit revoked as he claimed the GM hired illegal Guyanese workers to replace the fired workers. (NOTE: The issue of illegal Guyanese workers is an inflammatory issue in Barbados. Extremely unpopular, Barbadians fear massive Guyanese emigration and blame Guyanese for taking jobs away from Barbadians. End Note)

Other Labor Conflicts in the Eastern Caribbean

BRIDGETOWN 00000023 002 OF 002

¶19. In early Summer 2007 the dockworkers (known as "stevedores" at the St. Kitts port broke with the St. Kitts Shipping Association because they felt the union was not properly representing them. The stevedores forming the union are reportedly "casual workers" who have been doing the job up to 30 years, and do not get paid sick leave or holidays and claim not to have access to safety equipment. The union conducted work stoppages in August and November when talks with Shipping Association broke down. Since the unions in St. Kitts and Nevis have been traditionally tied to the country's ruling Labour Party, the formation of this small, new union appears to represent growing discontent with the increasing weakness of the unions as they have come under greater governmental control.

¶10. Following St. Vincent and the Grenadines Prime Minister Gonsalves' Independence Day announcement that most civil servants would receive raises as a result of the governments' "reclassification exercise," the reclassification results for teachers announced in late December were not well received by the Teacher's Union. According to the Union, in some cases the salary scales were adjusted downwards, meaning that many teachers will suffer substantial pay cuts. The union also claimed that only about 5% of the teachers would receive raises from the reclassification.

¶11. As a form of protest, the Union decided to call for "two days of rest and reflection" on January 9 and 10, 2008. The Prime Minister, before he left the island, blasted the teachers, and the acting PM Mike Browne insinuated that the Unions' decision was guided by "anti-government teachers who pushed the decision in that direction." As in the case of St. Kitts, local contacts have repeatedly told Poloff that the Gonsalves administration has hand-picked people loyal to the ruling Unity Labor Party to lead the unions. The Teacher's Union is widely seen as especially pro-government, so the recent dispute and industrial action came as a surprise and likely represents a political miscalculation on Gonsalves' behalf.

The Roots of Discontent

¶12. Comment: All of these labor incidents have roots in many of the chief economic constraints that have been facing Barbados and the Eastern Caribbean in recent months. Among the key issues underlying

these conflicts are shrinking real incomes due to high inflation, decreases in real wages, and the influx of foreign workers to perform at lowers wages.

While the labor unions remain powerful players in Barbados, recent events highlight the extent to which they have become weakened in the OECS nations. If the cost of living in the EC continues to rise as the rate it did in 2007, then labor conflicts and labor union actions could likewise see a dramatic increase in 2008. End Comment.

OURISMAN